GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:818
ANSWERED ON:22.11.2007
POLICY ON BIO- DIESEL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether the policy of the Government on bio-diesel has not generated the desired results;

(b) if so, the reasons therefor;

(c) the quantum of bio-diesel procured by the public sector companies so far;

(d) the new steps taken by the Government to make comprehensive changes in the policy; and

(e) the details of the proposal for extensive use of green fuel?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c) In order to promote the use of Bio-diesel, Ministry of Petroleum and Natural Gas has announced a Bio-Diesel Purchase Policy with effect from 1.1.2006. As per the policy, Oil Marketing Companies (OMCs) shall purchase Bio-diesel for blending with High Speed Diesel (HSD) to the extent of 5% at 20 identified purchase centres across the country. OMCs would buy Bio-diesel at a uniform landed price, which is to be reviewed every six months. At present the purchase price of bio-diesel is at Rs. 26.50 per litre. However, no supplier has shown interest to supply bio-diesel at this price. OMCs have not been able to procure Bio-diesel at the identified purchase centres till date.

The production of bio-diesel from seeds coming from plants such as Jatropha is at a nascent stage.

(d) & (e) Ministry of New and Renewable Energy and Ministry of Rural Development are in the process of formulating policies for extensive use of green fuel.